Southern Walk – a Van Metre Community

Telecommunication Service Contract

Van Metre Companies & Openband of Virginia,LLC

Brief presented by

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1.0 Executive Summary

The evidence contained within this document supports the following summary statement: Van Metre Homes negotiated a 75 Year exclusive telecommunications contract with a company, known as OpenBand of Virginia, LLC, to provide basic TV, telephone and Internet Services. Van Metre co-founded OpenBand of Virginia, LLC with M. C. Dean on behalf of the future residents of Southern Walk. Van Metre created the Southern Walk homeowners Association as a mechanism to collect the mandatory monthly assessment from Southern Walk homeowners. In addition, Van Metre controls the only governing entity, which is the Southern Walk Home Owners Association. The sole purpose of this association is to enforce the "HOA" contract and the mandatory monthly assessment from Southern Walk homeowners as well as approving price increases at their sole discretion. In doing so, Van Metre created an unfair business practice and a telecommunications monopoly for Southern Walk homeowners. In addition, Van Metre refuses to address contractual flaws as identified by Southern Walk homeowners.

In closing, it is my assertion that Van Metre has violated anti-trust laws; Van Metre rejects any accountability for the degradation of services provided by OpenBand to Southern Walk homeowners. Van Metre controls the Southern Walk homeowners association as a means to increase their profitability and earnings through a guaranteed "kickback" from OpenBand for exclusivity within Southern Walk.

2.0 Parties Involved

Van Metre Companies	Van Metre Companies
5252 Lyngate Court	44675 Cape Court, Suite 171
Burke, VA 22015	Ashburn, VA 20147
Attn: Laurence Bensignor	703-425-2600
	rbarnett@vanmetrehomes.com
	Attn: Roy Barnett (Board of Directors –
	Member at Large)
Van Metre Companies	Van Metre Companies
44675 Cape Court, Suite 171	44675 Cape Court, Suite 171
Ashburn, VA 20147	Ashburn, VA 20147
703-723-2800	703-425-2600
pleader@vanmetrehomes.com	dharrover@vanmetrecompanies.com
Attn: Pat Leader (Board of Directors – SWHOA	Attn: Denise Harrover (Board of Directors –
Board President)	SWHOA Board Vice President)
Van Metre Companies	OpenBand of Virginia, LLC
44675 Cape Court, Suite 171	22461 Shaw Road
Ashburn, VA 20147	Dulles, Virginia 20166
703-723-2800	703-802-6231
mholliday@vanmetrehomes.com	bdean@mcdean.com
Attn: Mark Holliday (Board of Directors –	Attn: William Dean
SWHOA Board Secretary)	
M. C. Dean	Armstrong Management
22461 Shaw Road	703-385-1133
Dulles, Virginia 20166	<u>twade@armstrong.net</u>
703-802-6231	Attn: Tom Wade
jbrabham@mcdean.com,	
jbrabham@openband.net	
Attn: Jim Brabham	

3.0 Homeowner Concerns and Issue Summary

At the onset of the development of the Southern Walk Community and before a single house was built, Van Metre negotiated with M.C. Dean to create a joint venture call OpenBand. Van Metre then subsequently created and incorporated the Southern Walk @ Broadlands Homeowners Association, Inc. In addition M.C. Dean created OpenBand @ Broadlands LLC, which then spun of two entities: One called Broadlands Communications and the other called OpenBand SPE, II, LLC. Once these entities were established, the Southern Walk @ Broadlands Homeowners Association, Inc. established a contract with one of these OpenBand entities to provide exclusive telecommunications services (TV, Telephone, Internet) to the Southern Walk community through the collection of HOA monthly payments. The contract established and agreed upon on behalf of Southern Walk residents was done so prior to the onset of construction. In addition, the SWHOA contracted to Armstrong Management to manage the collection of dues from HOA residents.

These actions created the means by which Van Metre and M. C. Dean could prevent competition within Southern Walk and establish a mechanism by which they can control pricing as well as profit from revenues obtained through resident HOA payments.

These are the resident's concerns regarding this situation:

- 1. The contract established between Southern Walk @ Broadlands has a minimum term of 25 years and a maximum term of 75 years with no option to opt out. Openband has exclusive rights within the Southern Walk community further more 239 (out of 933) Southern Walk homeowners have DirecTV/Dish Network as their primary TV provider however they are require to pay the mandatory SW HOA fee.
- 2. New home buyers are required to agree to these terms or they would not be allowed to purchase a home within the community.
- 3. Purchasers of resale homes are not asked to sign any documents to agree to these terms yet it is implied that the terms are inherited during the resale home purchase, which is a contradiction to the SWHOA articles of incorporation.
- 4. Van Metre holds the majority seats on the Southern Walk HOA Board of directors.
- 5. Current board membership is set at three Van Metre members and two resident members.
- 6. In June of 2006 and December of 2006, each resident member positions become vacant.
- 7. By the SWHOA bylaws these positions were to be filled during the first available board meeting or a special meeting is to be called to fill these positions. These replacements would act in these positions until a full community vote can be held in May of 2007.
- 8. In November of 2006 a nomination for a resident member was brought to Van Metre's attention. Van Metre subsequently rejected that nomination with no explanation.
- 9. Van Metre has been cancelling and postponing meetings to prevent this action
- 10. Pricing for OpenBand services are derived through a comparative analysis of local competitors and set to be "10%" lower than the average prices the competitors set for similar services.

- 11. The SWHOA board/Van Metre is the sole entity that can approve or disapprove the inclusion of additional competitive pricing in their annual evaluations.
- 12. Denise Harrover, the VP of the SWHOA Boards and a Van Metre executive, resists adding competitor pricing that could potential bring pricing down
- 13. SWHOA residents have identified several areas where the comparative analysis of pricing is inaccurate and flawed.
 - a. TV Pricing was compared with no regard to the number of channels being provided and the existence of an SLA. (Openband provided less channels than competitors and does not provide an SLA)
 - b. Internet pricing is based on a comparison of Openband's Intranet connection speed to competitor Internet throughput speeds. (again no SLA, whereas competitors provide one)
- 14. Armstrong Management collects information from OpenBand to include within the annual budget for the SWHOA.
- 15. The SWHOA/Van Metre approves or disapproves this budget which in turn means they approve or disapprove OpenBand's pricing.
- 16. The collection of HOA payments by Armstrong has generated an excess of \$160,000 in revenue.
- 17. Through operating agreements, Van Metre is paid 8% of the revenues collected by Armstrong management and paid to Openband through mandatory SWHOA dues. Reference Page 36, Section 5.1 of the operating agreement provided as exhibit A.
- 18. Through these same operating agreements, Van Metre is also paid 12% of the revenues generated by resident payments for premium services paid directly to OpenBand. Reference Page 36, Section 5.1 of the operating agreement provided as exhibit A.

Based on the information provided within this document, it is the resident's assertion that they are overpaying for sub-standard services under a contract that was not competed. Furthermore, it is our assertion that Van Metre is controlling the amount of our payment and is also profiting from this payment.

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4.0 Exhibit A: HOA Contract to Obtain Telecommunications Services								

AGREEMENT TO OBTAIN TELECOMMUNICATIONS SERVICES

This AGREEMENT TO OBTAIN TELECOMMUNICATIONS SERVICES (this "Agreement") is made as of November 16, 2001, (the "Effective Date") by and between OPENBAND AT BROADLANDS LLC, a Virginia limited liability company ("OBB") and SOUTHERN WALK AT BROADLANDS HOMEOWNERS ASSOCIATION, INC., a Virginia non-stock corporation (the "HOA") (individually, a "Party" and collectively, the "Parties").

RECITALS

- A. OBB is a Virginia limited liability company formed with two members, OPENBAND SPE II, LLC, a Virginia limited liability company ("OSPE"), and BROADLANDS COMMUNICATIONS, L.L.C., a Delaware limited liability company ("BAC"), which is governed by the Operating Agreement between those two parties of even date herewith, (the "Operating Agreement");
- B. The HOA is a Virginia non-stock corporation and is governed by the CC&R's (as defined herein), for, among others, the purpose of providing services to homeowners in, and residents of, the Development (as defined in Section 1.1 herein);
- C. OBB is the owner of the Infrastructure (as such term is defined in Section 1.1 herein);
- D. The Infrastructure will provide access points for video, telephone, high speed Internet access, and a community intranet site, and may also provide access points for security monitoring, home automation and other video, utility and electronic services to, among others, all residential lots located within the Development;
- E. The Services provided by the Infrastructure are, or will be, a customized suite of Services provided at a reasonable cost to Homeowners, and the provision of such Services is in the best interest of the Parties and the Homeowners; and
- F. The HOA desires to provide Platform Services (as such term is defined in Section 1.1 herein) to the Homeowners of the Development, and the HOA desires to engage OBB to supply such services to the Development.
- G. The HOA and OBB wish to enter into this Agreement to set forth their respective rights, duties and obligations.

In consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

"Add-On Premium Services" shall mean those Premium Services that are elective by the Customer but are derived from and related to the Platform Services and are features or options that serve to enhance the utilization of the respective Platform Services, and are generally available only through the same provider as the provider of the Platform Service. For example, call-waiting is an Add-On Premium Service to Telephone Service and Home Box Office is an Add-On Premium Service to Video Service.

"Agreement" shall mean this Agreement to Obtain Telecommunications Services entered into by and between OBB and the HOA.

"CC&R's" shall mean the Declaration of Covenants, Conditions and Restrictions for Southern Walk at Broadlands, including any future amendments or restatements.

"Comparable Providers" shall mean telecommunication service providers that provide residential services in Loudoun County, Virginia and who have similar technical service and performance abilities and who offer reputable levels of customer service as required in this Agreement. Initially, Comparable Providers shall be Verizon or the then-incumbent local exchange carrier (for telephone), Adelphia or the then-incumbent franchised cable television provider(s) (for video) and Bell Atlantic Info Speed, Star Power and Primus (for Internet access), to the extent their residential services apply to the area specified herein.

"Customer" shall mean any individual or entity that receives one or more Services within the Development, delivered by the Infrastructure, from OBB.

"Development" shall mean that portion of the residential development commonly known as Southern Walk at Broadlands located in Loudoun County, Virginia, the legal description for which is stated, as well as a plat showing the location, in <u>Exhibit B</u> to this Agreement, as may be amended from time to time pursuant to Section 7.2(e) hereof.

"Force Majeure" shall have the meaning set forth in Section 8.10 of this Agreement.

"FCC" shall mean the Federal Communications Commission.

"Homeowner's Association" or "HOA" shall mean the Southern Walk at Broadlands Homeowner's Association, Inc., a Virginia non-stock corporation, and its successors and assigns.

"Homeowner" shall mean each purchaser or tenant of a residential dwelling in the Development.

"ILEC" shall mean incumbent local exchange carrier.

"Infrastructure" shall mean the telecommunications infrastructure located within the Development that is used to deliver the Services. The Infrastructure is owned by OBB.

"Intellectual Property" shall mean all manufacturing and assembly information, test results, software, processes and procedures, marketing data information, demographic data, designs, trademarks, trade secrets, drawings, patents, inventions, or copyrights, including any related registrations or applications for registration, to be used by OBB in operating the System and/or providing the Services, and any other information not reasonably necessary to the operation, performance or maintenance of the System.

"Internet Services" shall mean a service which permits access to the worldwide system of computer networks as originally conceived by the Defense Advanced Research Project Agency (DARPA) and as continues to evolve. Technically it is distinguished by its use of the Internet Protocol (IP), offering local and global connectivity and applications. IP based applications, such as email, www, hypertext, browsing, dial transfer, Internet chat, and Internet telephony, are considered Internet applications. Since both security monitoring and automation and control services are planned to be IP based they are considered Internet applications for the purposes of this Agreement, whether or not they are actually IP based when implemented. For Development residential subscribers, under mandatory subscription, the network connection at the Home will be 100 MB Ethernet over optical fiber. OBB shall advise the HOA of the natural technological progress or evolution of Internet Services for the purpose of including such evolved service within the meaning of this definition.

"Mandatory Subscription" shall mean the required payment for those Platform Services required to be purchased by the HOA and/or Homeowners pursuant to this Agreement.

"Platform Services" shall mean the Telephone Services, Internet Services and Video Services for which residents pay as a part of their required HOA fees in accordance with this Agreement as detailed in Exhibit A as of the date hereof. Wherever evolved services are included within the definitions of Telephone Services, Internet Services or Video Services (as set forth in each respective definition), and such evolved service is a replacement for same then the evolved service shall be included within the meaning of Platform Services. Notwithstanding the foregoing, if OBB determines that (i) wireless services have evolved into the successor technology and (ii) wire-line services are abandoned (subject to the proviso in the following sentence) by OBB, then Platform Services shall include such evolved wireless services. If wireless services are provided in addition to, but not in lieu of, wire-line services, then Platform Services shall not include such wireless services; provided, however, that with respect to a reasonable transition period Platform Services may include both wireless and wire-line services to the extent the OBB determines that both wireless and wire-line services are required to be provided in tandem in order to effectuate such evolved wireless service.

"Premium Services" shall mean those Services provided or made available to the Development and/or to Customers on an elective basis that are not identified as Platform Services, including without limitation, Add-On Premium Services. The Premium Services to be initially provided are described in Exhibit C.

"Services" shall mean the Services specifically delineated as Platform and Premium, provided over the term of this Agreement. Wherever evolved services are included within the definitions of Telephone Services, Internet Services or Video Services (as set forth in each respective definition), such evolved services shall be included within the meaning of Services.

"Supplemental Services" shall mean all communication services other than those services identified as Platform and Premium Services, respectively. Wherever evolved services are included within the definitions of Platform and/or Premium Services (as set forth in each respective definition), such evolved services shall not constitute Supplemental Services.

"System" shall mean the operating system used in delivering the Services to the Development. The terms "Video System," "Telephone System" and "Internet System" shall refer to the segment or portion of the System which supplies video service, telephone service or Internet access, respectively, to the Development.

"Telephone Services" shall mean the service that transmits voice, data and/or video over the traditional circuit switched public switched telephone network (PSTN) and packet switched wireless cellular/Personal Communications Services (PCS) networks. Also included are the many applications and adjunct services such as voice mail, call waiting, caller ID, conference calling, call forwarding, and local and long distance dialing services. OBB shall advise the HOA of the natural technological progress or evolution of Telephone Services for the purpose of including such evolved service within the meaning of this definition. Subject to the immediately following sentence, the Parties agree that service that transmits voice, data and/or video over packet switched wireless cellular/Personal Communications Services (PCS) networks shall be considered a Supplemental Service. If, however, OBB determines through the service evolution determination procedure set forth herein that (i) wireless services have evolved into the successor technology and (ii) wire-line services are abandoned (subject to the proviso in the following sentence) by OBB, then Platform Services shall include such evolved wireless services. If wireless services are provided in addition to, but not in lieu of, wire-line services, then Platform Services shall not include such wireless services; provided, however, that with respect to a reasonable transition period Platform Services may include both wireless and wire-line services to the extent OBB determines that both wireless and wire-line services are required to be provided in tandem in order to effectuate such evolved wireless service.

"Three-Way Agreement" shall mean the agreement to be entered into among OBB, its sub-contractor and a Homeowner, as contemplated in this Agreement.

"Video Services" shall mean the service that provides traditional video programming throughout the community in either analog or digital format. This includes programming sources received via satellite and off air local transmission. Also included are advanced services such as pay per view, video on demand, interactive television, gaming, video on demand and web enabled television. OBB shall advise the HOA of the natural technological progress or evolution of Video Services for the purpose of including such evolved service within the meaning of this definition.

"VSCC" shall mean the Virginia State Corporation Commission.

Section 1.2 <u>Recitals</u>. All recitals set forth above are hereby incorporated by reference as set forth in this Agreement.

ARTICLE II

ENGAGEMENT

- Section 2.1 Engagement of OBB. Subject to the terms and conditions of this Agreement, the HOA hereby engages OBB, and OBB accepts the engagement, to (i) be the provider or arrange for the provision of the Platform Services to Homeowners, so that the HOA shall not engage any other provider of Platform Services and (ii) non-exclusively provide or arrange for the provision of the Premium Services and Supplemental Services. OBB will design, install, and operate (or cause to be designed, installed and operated) at its own expense, the Infrastructure to provide the Services under the terms set forth herein.
- 2.1.1 <u>Use of Third Party Providers</u>. The HOA acknowledges that OBB may engage one or more third party service providers to provide one or more of the Services.
- 2.1.2 <u>Infrastructure Not a Part of this Agreement</u>. The parties hereto specifically acknowledge that (i) the Infrastructure is owned by OBB and (ii) OBB may use the Infrastructure and/or the System to provide, on a non-exclusive basis (x) Telephone, Video and Internet Service to customers outside the Development (y) Premium Services to Homeowners and/or customers outside the Development and (z) Supplemental Services to Homeowners and/or customers outside the Development. Use of the System and/or Infrastructure by OBB and/or its subcontractor to serve such customers outside the Development is not subject to the terms, conditions or covenants of this Agreement.
- 2.1.3 <u>Premium Services</u>. OBB shall provide to Homeowners the option to obtain from OBB Premium Services. Notwithstanding anything to the contrary contained in this Agreement, Premium Services shall not be governed by the terms of this Agreement, but are to be governed by the Three Way Agreement and applicable tariffs. OBB shall contract directly, or through a sub-contractor, with the Homeowners for the provision of Premium Services and shall not be required to provide Premium Services to Homeowners who do not agree to the terms and conditions offered by OBB.

2.1.4 Video Services.

(a) Franchise Decision. After the start of the seventh (7th) year from the date of Infrastructure activation, if a final and binding determination in a court or regulatory forum is made specifically stating that OBB or its sub-contractor must obtain a full franchise to provide Video Services (a "Franchise Decision"), OBB shall have thirty (30) days after such determination to give notice to the HOA that it elects not to provide or to assign its rights and obligations to provide Video Services to those Homeowners to which OBB or its subcontractor is not then already providing Video Services ("Future Homeowners").

(b) Changes if Franchise Decision is Made. If a Franchise Decision is made, then OBB and the HOA shall cause this Agreement to be revised so that OBB will not be required to provide Video Services to the Future Homeowners. If a Franchise Decision is made and OBB elects to not provide Video Services to future Homeowners, then, the HOA shall revise its assessment procedures such that Future Homeowners will not be subject to the Mandatory Subscription as such Mandatory Subscription relates to Video Services provided by OBB. If a Franchise decision is made and OBB elects to assign its rights and obligations, then the HOA and OBB's assignee shall enter into a separate contract for Video Services with respect to such Future Homeowners. The HOA will revise its assessment procedures such that Future Homeowners will be subject to the Mandatory Subscription with OBB's assignee and not subject to this Agreement with regard to Mandatory subscription as it relates to Video Services.

Section 2.2 Homeowner Arrangements.

- 2.2.1 Homeowner Arrangements for Platform Services. The HOA, on behalf of each Homeowner, agrees that each Homeowner, concurrently with the closing by such Homeowner on a house within the Development, will be required to enter into the Three-Way Agreement, regardless of whether such Homeowner actually uses the Platform Services. The HOA will use reasonable efforts to cause Homeowners to enter into such Three Way Agreement. The HOA agrees to deliver a copy of the Three-Way Agreement to each new Homeowner contemporaneously with closing. The HOA agrees to notify OBB weekly of all resale certificates it has issued during the previous week under the Virginia Real Property Act. The HOA shall establish a procedure for notifying OBB of resale move-ins, to coordinate activation. Once the Three Way Agreement is signed by a new Homeowner at closing, the HOA will forward a copy of such signed Three Way Agreement to OBB.
- 2.2.2 <u>Homeowner Arrangements for Premium Services</u>. The HOA on behalf of each Homeowner, agrees that if any Homeowner desires to obtain Premium Services, they shall have the option, but not the obligation, to engage OBB or its sub-contractor to provide specifically identified Premium Services to such Homeowner. In such event, such Homeowner will be permitted to contract directly with OBB or its subcontractor for such Premium Services, to pay additional sums to OBB or its designee in accordance with the terms hereof and applicable rate schedules set forth from time to time by OBB or its designee for such Premium Services. Any such fees for Premium Services shall be in addition to any sum, fee or assessment such Homeowner is automatically required pay for the Platform Services by virtue of its ownership of any parcel of real property within the Development.
- 2.2.3 <u>Homeowner Arrangements with Alternate Providers</u>. Homeowners shall have the option, throughout the term of this Agreement, in their sole discretion, to obtain any Services, including Platform or Premium Services from any and all providers other than OBB ("Alternative Provider"). In such event, Homeowners will not be relieved of their obligation to pay for Platform Services, but will not be required to pay for any Premium Services or for anything other than Platform Services (except to the extent they have subscribed for such Premium Services).
- 2.2.4 <u>HOA Arrangements for Supplemental Services</u>. The HOA on behalf of each Homeowner, agrees that if any Homeowner desires to obtain Supplemental Services, they

shall have the option, but not the obligation, to engage OBB or its sub-contractor to provide specifically identified Supplemental Services to such Homeowner. In such event, such Homeowner will be permitted to contract directly with OBB or its sub-contractor for such Supplemental Services, to pay additional sums to OBB or its designee in accordance with the terms hereof and applicable rate schedules set forth from time to time by OBB or its designee for such Supplemental Services. Any such fees for Supplemental Services shall be in addition to any sum, fee or assessment such Homeowner is automatically required pay for the Platform Services by virtue of its ownership of any parcel of real property within the Development.

ARTICLE III

SERVICES

Section 3.1 Service Standards. The provision of the Platform Services by OBB shall be at a level taken as a whole which level is not consistently and substantially below the overall technical quality of service provided by the Comparable Providers providing services under comparable rate plans ("Service Quality"). Upon written notice to the HOA, OBB may, from time to time, change the identity of the Comparable Provider for the purposes of both Sections 3.1 and 5.7.

Intranet and Host Website. Subject to OBB's approval (not to be unreasonably withheld, conditioned or delayed), the HOA shall design a website template (the "Template"), including allocation of space, and determine what content is permissible on an Intranet system and host website (the "Intranet System") to be utilized by Homeowners within the Development. If the HOA does not design the Template by December 31, 2002, then OBB or its sub-contractor shall design the Template by March 31, 2003; such Template shall be subject to the HOA's approval (not to be unreasonably withheld, conditioned or delayed). OBB will install the Intranet System to be utilized by Homeowners within the Development. The Intranet System and associated routers and facilities will be designed to operate ninety-nine and nine tenths percent (99.9%) of the time. OBB will reasonably cooperate with the HOA to ensure that the Intranet System is functional and fully operational in accordance with reasonable industry standards at the time of launch and that the HOA will be in position to operate the Intranet System. At the time the Intranet system is launched, OBB or its subcontractor shall provide training in the use and operation of the Intranet to representatives of designated by the HOA. Such training shall include instruction on the features and capabilities of the Intranet, including instruction in the use and activation of all basic features of the Intranet. OBB shall have no right to any advertisement revenues received by the HOA, including, without limitation, in connection with its portion of the Intranet System and/or website. A portion of the HOA's Intranet System and website shall be reserved by the HOA for exclusive use by OBB in connection with advertising banners and a hyperlink to OBB's or its sub-contractor's 's website; the HOA shall have no right to any advertisement revenues received by OBB or its subcontractor, including, without limitation, in connection with such portion of the Intranet System and/or website.

Section 3.3 <u>Residential Use</u>. Due to the fare structure and demand requirements, the Internet Service provided under this Agreement shall be used for residential, home office or telecommuter use only.

Section 3.4 <u>Compensation Related to Performance</u>. Homeowners shall be entitled to compensation related to performance in accordance with the schedule attached as <u>Exhibit D</u> hereto.

ARTICLE IV

MARKETING

OBB and the HOA will, during the build out of the Development, cooperate to ensure appropriate and effective use of marketing materials, consistent with the overall marketing plan of the Developer. To the extent that the HOA controls the Development's Community and Information Center, the HOA agrees to provide an area in such Community and Information Center to OBB or its sub-contractor (and reasonable public access thereto) to demonstrate the benefits of the Services and the HOA agrees to cooperate reasonably with all such marketing and demonstration efforts.

ARTICLE V

PAYMENT; FEES; PRICING OF SERVICES

Bills for Platform Services. Pursuant to the CC&R's, (i) each Homeowner is required to pay homeowner assessments for liabilities of the HOA, which liabilities include for Platform Services, whether or not such Homeowner uses any of the Platform Services; and (ii) the HOA budgets for and collects monthly dues or fees from all Homeowners for Platform Services rendered to the Development or otherwise included in the CC&R's. The HOA shall include the charges for the Platform Services in the billing to the Homeowner as part of its regular periodic HOA fee and assessment, which will be no less frequently than monthly. Based on the rates attached hereto as Exhibit E, as adjusted from time to time, OBB will submit a monthly invoice to the HOA for the Platform Services. Such invoice will reflect each Homeowner's address, the date of service activation, the Platform Service fee, (prorated if necessary), applicable tax and regulatory fees, and an extended and grand total of the monies owed for Platform Services rendered. The HOA acknowledges that OBB will bill the Homeowners directly, or through an agent, for any applicable installation or activation charges. Within thirty (30) days after the HOA's receipt of such invoice, the HOA will pay OBB or its designee, all amounts shown on such invoice. If the HOA fails to make such payments within thirty (30) days after they are due, the HOA shall be assessed a late fee of one and one half percent (1 1/2%) per month of the outstanding balance due until paid. The monies owed to OBB for Platform Services shall not be contingent upon the HOA's collection of HOA fees or dues from Homeowners. OBB will, with the HOA's reasonable cooperation, provide updates in advance of annual price changes of Platform Service to the HOA sufficient to permit the HOA to adjust its budget accordingly to collect the appropriate fees and/or assessments from the Homeowners; such annual price changes shall become effective as of January 1st of the year following the date on which OBB notifies the HOA of such prospective price changes. OBB, shall, with the HOA's reasonable cooperation, ensure that all billings will be sufficiently detailed and in all respects that all arrangements with the Homeowners comply with truth-in-billing rules of the FCC or VSCC. It is expressly understood that the HOA will only collect charges or fees for the Platform Services as part of the collection of monthly dues or assessments from the

Homeowners, and the HOA shall have no right or obligation to invoice or collect fees for Premium Services unless agreed in writing in advance.

- Section 5.2 <u>Bills for Premium Services</u>. OBB or its designee will bill or invoice each Homeowner separately and directly for all Premium Services requested by such Homeowner. Each bill or invoice to a Homeowner will include instructions for such Homeowner to remit payment directly to OBB or its designee, by or on a date of the month designated by OBB or its designee following the month in which the billed charges were incurred. OBB shall be responsible to ensure that the billings will be sufficiently detailed to comply with all applicable laws and rules including, without limitation, truth-in-billing rules of the FCC or VSCC. The HOA acknowledges that OBB or its designee has the right to commence any and all collection actions available to it under applicable law.
- Section 5.3 <u>Bills for Supplemental Services</u>. OBB or its designee will bill or invoice each Homeowner separately and directly for all Supplemental Services requested by such Homeowner. Each bill or invoice to a Homeowner will include instructions for such Homeowner to remit payment directly to OBB or its designee, by or on a date of the month designated by OBB or its designee following the month in which the billed charges were incurred. OBB shall be responsible to ensure that the billings will be sufficiently detailed to comply with all applicable laws and rules including, without limitation, truth-in-billing rules of the FCC or VSCC. The HOA acknowledges that OBB has the right to commence any and all collection actions available to it under applicable law.
- Notwithstanding the failure of a Homeowner to pay timely HOA dues or assessments, which pursuant to the terms of the CC&R's, and the terms hereof include all properly due applicable charges for Platform Services, the HOA shall nevertheless pay the amount invoiced under Section 5.1 above to OBB or its designee. If a Homeowner does not pay its HOA dues to the HOA within thirty (30) calendar days of receipt by the Homeowner of a late payment notice from the HOA, upon the request of the HOA, OBB or its sub-contractor shall, to the extent consistent with applicable rules and laws, suspend the Platform Services (and any other Services dependent thereon) to the delinquent Homeowner.
- Section 5.5 <u>Late Payments for Premium and Supplemental Services</u>. Late payments by Homeowners for Premium and/or Supplemental Services will be governed by the Three-Way Agreement that will be entered into between OBB and its sub-contractor and each Homeowner who orders Premium and/or Supplemental Services.
- Section 5.6 <u>Interest and Late Charges</u>. Nothing herein will be construed to prohibit, consistent with applicable law, (i) OBB from charging Homeowners interest, collection fees and/or late fees on any overdue or past due amounts for Premium and/or Supplemental Services and (ii) the HOA from charging Homeowners interest and/or late fees or on any overdue or past due amounts for HOA assessments not timely paid by such Homeowner.

Section 5.7 Cost of Services.

(a) The initial monthly prices of Platform Services to each Homeowner as of the date hereof for each of the Platform Services are agreed to by the Parties and are set forth in Exhibit E of this Agreement. Prices may be amended once per twelve month period by OBB. Notwithstanding the foregoing, OBB may, subject to and in accordance with applicable legal and regulatory requirements, include taxes and regulatory fees in the monthly prices of Platform Services.

After the first year, the monthly prices may increase or decrease due to factors such as inflation, System upgrades and technological developments and competitive pricing. During the term of this Agreement, the costs of each of the Platform Services shall not exceed an amount equal to ninety percent (90%) of the rate charged by the Comparable Provider for similar video and ILEC telephone services of equal quality as required under this Agreement (excluding short-term and promotional pricing) determined once a year at the time OBB announces its annual rate structure. The cost of Internet access services will not exceed the following percentages of the average rate charged by three (3) competitive residential Comparable Providers: fifty percent (50%) in the first year in which OBB provides Services to Homeowners ("Year One"), sixty percent (60%) in Year Two, seventy percent (70%) in Year Three, eighty percent (80%) in Year Four, and ninety percent (90%) thereafter; notwithstanding the foregoing, OBB shall not raise the cost of Internet Services more than five percent (5%) each year. Internet speed will be compared to Comparable Providers of similar services, and such comparison shall include the average of forward and reverse bit rates and to be based upon the cost per bps. All activation fees will be at or below seventy-five percent (75%) of the average rate of the fees charged by Comparable Providers (excluding short-term and promotional pricing). OBB may, from time to time, designate a new Comparable Provider upon the provision of written notice to the HOA. OBB will not raise or lower its prices more than once during a calendar year and the HOA will accordingly adjust the Homeowner assessment. Any Homeowner may challenge OBB's pricing as violating this Section. Such Homeowner shall bring an action within six (6) months of the effective date of the new rates in accordance with the dispute resolution process described in Section 8.1 below. If such action is successful, Homeowners shall be entitled to a rebate or credit (at OBB's election) of the difference between the rate actually charged and the maximum rate allowable under this Section. If the audit in Section 5.9 below shows that the HOA has overpaid its fee to OBB, the HOA will be entitled to a rebate or credit (at OBB's election) of the amount of the overpayment.

Section 5.8 <u>Homeowner Deposits</u>. OBB or its sub-contractor may collect any deposit from each Homeowner in connection with Premium Services and only equipment deposits in connection with Platform Services (collectively, the "Deposit"). The Deposit(s) shall be no greater than the rate charged by Comparable Providers and otherwise allowed by applicable law. Deposits, unless arising out of a Homeowner breach, shall be returned by the last day of the month following the month in which such Homeowner moved out of his or her house.

Section 5.9 <u>Corrections to Payments</u>. If upon further review or audit OBB determines that the amount billed by it to the HOA or paid by the HOA was less than that required by this Agreement, then the HOA shall pay such deficiency within sixty (60) business days of such determination. In the event that OBB is required by a determination of a regulatory agency, court or governmental body to charge an FCC Access Fee or the like, such fee shall be included as a Regulatory Fee on future billings and the HOA shall reimburse OBB if required to

pay and/or collect such fee for a prior time period (up to twelve (12) months), unless precluded by applicable law. In the event the provisions of this Section 5.9 apply, a revised statement shall be issued.

ARTICLE VI

TERM, BREACH, DEFAULT AND REMEDIES

- Section 6.1 <u>Term.</u> This Agreement shall be effective as of the Effective Date and shall continue in force and effect for twenty-five (25) years, unless terminated sooner pursuant to the terms of this Agreement. OBB shall have the option to renew this Agreement for four successive ten (10) year periods by giving notice to the HOA of its decision to renew twelve (12) months prior to the then scheduled expiration of this Agreement. This Agreement may not have an aggregate term in excess of seventy-five years.
- Section 6.2 <u>Default</u>. The following actions shall constitute an event of default ("Event of Default") under this Agreement.
- (a) <u>Breach Notice</u>. During the term of this Agreement, a Party ("Claimant") may assert that the other Party has committed a breach of the terms of this Agreement (a "Breach"), by providing a written notice detailing the nature of the Breach (the "Breach Notice") to the Party against whom the Breach is being claimed (the "Breaching Party").
- (b) <u>Cure Period</u>. The Breaching Party shall have forty-five (45) calendar days from receipt of the Breach Notice to cure said Breach, unless the cure period for such Breach is otherwise established in this Agreement (the "Breach Cure Period")
- Notice, this Section 6.2(c) shall govern any such contest. The Breaching Party must contest the validity of the Breach Notice within ten (10) business days after receipt of the Breach Notice by providing written notice to Claimant regarding its intent to contest the Breach Notice (the "Dispute Notice"). No more than two (2) business days after the Dispute Notice is received by Claimant, representatives of the Breaching Party and Claimant shall meet at a mutually agreeable location to seek to resolve the dispute regarding the Breach. The representatives shall work diligently and in good faith for a period of up to thirty (30) calendar days after issuance of the Dispute Notice to seek agreement upon a resolution of the asserted Breach (the "Breach Resolution"). The Breach Resolution shall include a specific cure period for resolution of the asserted Breach ("Resolution Period"). If such dispute remains unresolved, the provisions of Section 8.1 provide the exclusive method of resolving such dispute.
- Section 6.3 <u>Rights and Remedies</u>. If the Breaching Party does not cure the Breach in the Breach Cure Period, the Breach shall constitute an Event of Default. Upon an Event of Default, the non-defaulting party shall be entitled to all damages, rights and remedies available, subject to Section 6.4, in a Dispute Resolution proceeding under Section 8.1 of this Agreement. The non-defaulting party shall be entitled to all costs and expenses (including reasonable attorneys' fees, collections, service fees and other costs of collection) incurred in connection with enforcing its rights in a Dispute Resolution proceeding under Section 8.1 of this Agreement.

- Section 6.4 <u>Termination by the HOA</u>. If the Service Quality fails to meet the standards set forth in Section 3.1 for three (3) consecutive months, the HOA may give OBB a Breach Notice of such circumstance pursuant to Section 6.2(c) and the procedures therein. Subject to Section 8.1 of this Agreement, within the Breach Cure Period, OBB may cure such Breach by improving the service to a level consistent with Section 3.1 of this Agreement. If OBB fails to do so during such Breach Cure Period, then, subject to the thirty (30) business-day negotiation period pursuant to Section 6.2(c), either party may bring a Dispute Resolution proceeding pursuant to Section 8.1 of this Agreement for resolution of the dispute. No termination will be effective unless either the arbitration pursuant to Section 8.1 so rules or OBB accepted such termination notice by express written notice to the HOA of its acceptance of termination.
- Section 6.5 <u>Suspension by OBB</u>. The Platform Services contemplated under this Agreement may be suspended by OBB upon the occurrence of any of the following events:
- (a) At any time, consistent with applicable law and rules regarding discontinuance of such services, if the HOA's payments to OBB pursuant to this Agreement are in arrears for more than sixty (60) days, OBB has provided the HOA with written notice of its intent to suspend Platform Services to all Homeowners (including those who are current in their homeowner assessments) thirty (30) days after the date of such notice, and the HOA has not brought the arrearage current prior to the expiration of such thirty (30) day period. Any such suspension of Platform Services shall continue until such time as the arrearage has been brought current.
- Section 6.6 Effect of Termination. Termination of this Agreement shall not affect the rights of either OBB or the HOA with respect to any claims or damages either shall have suffered as a result of any breach of this Agreement by the other, nor shall it affect the rights of OBB or the HOA with respect to any liabilities or claims accrued, or based upon events occurring prior to the date of termination. Upon termination of this Agreement pursuant to Section 6.5,, OBB shall have the right to bill the Homeowners directly for Platform Services and to appoint a collection agent to collect the Platform Service fees from the Homeowners.
- Section 6.7 <u>Survival Upon Termination</u>. The covenants, representations and warranties provided in this Agreement shall survive the termination or expiration of this Agreement, and shall remain in full force and effect for a period of two (2) years following such termination or expiration.

ARTICLE VII

COVENANTS, REPRESENTATIONS AND WARRANTIES

- Section 7.1 Covenants and Representations of OBB. OBB covenants, represents and warrants as follows:
- (a) <u>Organization and Standing</u>. OBB is a limited liability company duly organized, solvent, validly existing and in good standing under the laws of the Commonwealth of Virginia.

- authority to enter into, deliver and fully perform this Agreement. This Agreement has been duly executed and delivered by OBB, and constitutes the valid and binding obligation thereof, enforceable against OBB in accordance with its terms, except to the extent such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditor's rights generally, and by the application of equitable remedies. OBB will employ or engage a sufficiently skilled and licensed staff that is capable of performing the duties and obligations of OBB pursuant to this Agreement.
- (c) No Prohibition on Performance. There exists no event or circumstance within the control of OBB or to the knowledge of OBB which precludes or prohibits OBB from performing its obligations pursuant to this Agreement.
- (d) <u>Intellectual Property</u>. OBB has or will obtain valid title, license to, interest in and right to the Intellectual Property necessary to operate the System and/or provide the Platform Services pursuant to the terms of this Agreement.
- Section 7.2 <u>Covenants and Representations of the HOA</u>. The HOA covenants, represents and warrants as follows:
- (a) <u>Organization and Standing</u>. The HOA is a non-stock corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia.
- (b) <u>Authorization and Binding Obligation</u>. The HOA has full corporate power and authority to enter into, deliver and perform fully this Agreement. This Agreement has been duly executed and delivered by the HOA, and constitutes the valid and binding obligation thereof, enforceable against the HOA in accordance with its terms, except to the extent such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditor's rights generally, and by the application of equitable remedies.
- (c) <u>No Prohibition on Performance</u>. There exists no event or circumstance within the control of the HOA or to the knowledge of the HOA which precludes or prohibits the HOA from performing its obligations under this Agreement.
- (d) <u>CC&R's</u>. The HOA covenants that the CC&R's are a binding obligation of the HOA and enforceable against the HOA in accordance with their terms. The HOA covenants not to amend the CC&R's such that the amendment would (i) result in a termination of this Agreement or allow the HOA to terminate this agreement or (ii) have a materially adverse effect on OBB.
- (e) <u>Development</u>. From time to time, as additional real estate is subjected to the CC&R's, and Easement Two is increased in scope to cover such additional real estate or an exclusive easement substantially similar to Easement Two is provided to cover such additional real estate, the HOA shall so notify OBB and such additional real estate shall be incorporated within the term "Development".

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ARTICLE VIII

GENERAL PROVISIONS

Dispute Resolution. Wherever this Agreement requires the use of Dispute Section 8.1 Resolution, the process contained in this Section shall be used. For purposes of this Section, the notice of dispute ("DR Notice") must be in writing and provided by means provided in Section 8.3. The notice shall specify the issues in dispute and the outcome desired by the Party giving such notice ("Noticing Party"). The Noticing Party shall file a request ("Request for Arbitration") with the American Arbitration Association ("AAA") to appoint an arbitrator with expertise in communications-related issues ("Arbitrator"). Each Party to the dispute will appoint an expert with knowledge of the subject matter of the dispute ("Party Experts") within thirty (30) days after the Request for Arbitration. The Request for Arbitration shall include a copy of this Section and a statement directing the Arbitrator to conduct the proceedings and render a decision consistent herewith. The Party Experts shall meet for a thirty (30) calendar day period [unrelated to Section 6.2(c)] commencing upon appointment of the Party Experts and (1) negotiate in good faith in an attempt to develop a consensual resolution, and (2) develop a position acceptable to each such Party as to the appropriate final resolution of the dispute ("Final Position"). If the dispute is still unresolved after the such Period, the Parties will, within thirty (30) calendar days after the conclusion of the such Period, submit their Final Positions in writing, with a written statement of reasons, to the Arbitrator and to all other Parties ("Submission"). The Arbitrator will then be required to render a final decision, with reasons stated. Failure to submit a Submission within the required time shall be deemed a waiver of such Party's right to submit a Submission, unless a late submittal is expressly permitted by all other Parties to the dispute. The Arbitrator's decision will be final and binding upon the Parties. Any arbitration decision shall include a written statement of the reasons. The Arbitrator may, in his or her discretion, convene one or more hearings, on no less than seven (7) business days written notice. Availability of discovery shall always be permitted under this Section 8.1. Any request for discovery shall be made at the time of submittal of the Submissions, with reasons stated. Unless otherwise stated or modified, all other applicable rules of the AAA shall apply. The Arbitrator shall award costs, including attorney's fees, incurred in pursuing such Dispute Resolution in his or her discretion, in furtherance of Section 8.14 of this Agreement.

Section 8.2 <u>Limitation of Liability</u>. No party shall be liable to the other parties for any consequential or special damages arising out of or related to this Agreement.

Section 8.3 Notice. Any notice, request, demand, report, consent or other document or instrument which may be required or permitted to be furnished to or served upon a party hereunder shall be in writing which shall be personally delivered or sent by facsimile (with a duplicate copy sent by any other permitted method), telegram, cable or telex or deposited in the United States mail, registered or certified mail, return receipt requested, postage prepaid, addressed to the party entitled to receive the same at its address set forth below (or such other address as such party shall designate by notice to the other party given in the manner set forth herein):

c/o Broadlands Communications, LLC

42935 Waxpool Road Ashburn, Virginia 20148 Attn: Robert Woodruff

OpenBand at Broadlands LLC c/o OpenBand SPE II, LLC

3725 Concorde Parkway, Suite 100

P.O. Box 220870

Chantilly, Virginia 20153 Attn: William Dean

With a copy to:

Fleischman and Walsh, L.L.P.

1400 Sixteenth Street, N.W., Sixth Floor

Washington, D.C. 20036 Attn: Lawrence R. Freedman

Shaw Pittman

2300 N. Street, N.W.

Washington, D.C. 20037-1128

Attn: Tina Reynolds

Terrabrook

3030 LBJ Freeway, Suite 1500

Dallas, Texas 75234 Attn: Cynthia Stephens

To the HOA:

Southern Walk at Broadlands Homeowner's Association, Inc.

42935 Waxpool Road Ashburn, Virginia 20148 Attn: Tracy Z. Graves

With a copy to:

McGuireWoods LLP

1750 Tysons Boulevard, Suite 1800 McLean, Virginia 22102-3892 Attn: Michael J. Giguere, Esq.

Such notice shall be effective, (i) if sent by facsimile transmission, when a facsimile confirmation of effective delivery is received or upon date of refusal or acceptance of delivery of the confirmation hard copy, whichever shall first occur, or (ii) if mailed or sent by courier, upon the date of delivery or refusal as shown by the return receipt therefor.

Section 8.4 <u>Successors and Assigns</u>. The HOA may assign this Agreement, or any rights it may have, only after receiving the written consent of OBB. This Agreement shall be

binding upon OBB and the HOA and their respective successors in interest and permitted assigns.

- Section 8.5 Further Assurances. Each party agrees that it shall execute and deliver such further instruments, provide all information, and take or forbear from taking such further action and things as may be reasonably required or useful to carry out the terms, intent and purpose of this Agreement and as are not inconsistent with the terms of this Agreement, including, without limitation amending the CC&R's from time to time to carry out the terms and intent of this Agreement.
- Section 8.6 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia without giving effect to the provisions, policies or principles to the conflict of laws.
- Section 8.7 No Waiver. No failure or delay by a Party in exercising any default, right or remedy under this Agreement and no course of dealing between the Parties shall operate as a waiver of any such right or remedy. No single or partial exercise of any default, right or remedy by a Party under this Agreement preclude any other or further exercise of such default, right or remedy. The rights and remedies available to the Parties are cumulative and not exclusive of any other rights and remedies provided by law or equity.
- Section 8.8 Severability: Compliance with Laws. The parties agree that the activities under this Agreement shall be subject to and comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement. If any portion of this Agreement is declared invalid or unenforceable by a court or governmental authority of competent jurisdiction, this shall not affect the validity or enforceability of any remaining portion, which such remaining portion(s) shall remain in full force and effect as if this Agreement had been executed with the invalid or unenforceable portion(s) eliminated.
- Section 8.9 <u>Federal and State Regulations</u>. Notwithstanding anything contained herein to the contrary, OBB shall not be required to perform any obligations under this Agreement if such performance would violate and federal or state law or regulation and OBB shall be allowed and required to perform all requirements specifically mandated by federal or state law or regulation.
- Section 8.10 Force Majeure. Each Party shall have no liability to the others for any failure to perform its obligations hereunder, to the extent such failure is due to severe unusual weather, an act of God, fire, strike (or other labor dispute), riot, act of terrorism, failure of performance by a common carrier, failure of performance by a public utility, governmental action, vandalism or failure of performance by an entity providing prerequisite services related to the provision of Services to the Development. OBB shall also have no liability to any Party for any failure to perform its obligations hereunder for any equipment failure(s) not due to the action or inaction of OBB so long as OBB timely performs under its disaster recovery plan.
- Section 8.11 <u>Amendment; Entire Agreement</u>. This Agreement may be amended only by a written amendment executed by the undersigned parties. All exhibits to this Agreement are

intended to be attached to this Agreement and, whether or not so attached, are incorporated herein by reference as if set forth in full. Any addenda attached to this Agreement are incorporated herein by reference.

- Section 8.12 <u>Counterparts</u>. This Agreement may be executed in any number of counterparts and each shall be considered an original and together they shall constitute one Agreement.
- Section 8.13 <u>Headings</u>. All headings contained herein are for convenience only and have no legal meaning.
- Section 8.14 <u>Recovery of Costs</u>. The prevailing Party in any litigation, proceeding or action commenced in connection with enforcing any of the provisions of this Agreement shall recover any and all legal expenses incurred in pursuing such litigation, proceeding or action from the non-prevailing Party.
- Section 8.15 Interest. In connection with all payments to be made in accordance with this Agreement, a Party shall be required to pay interest on any payments past due more than thirty (30) days at an annual rate equal to the prime rate interest (as stated in the Wall Street Journal measured on the date thirty (30) calendar days preceding the date that such payment became past due), plus five (5%) percent, from the date due until the date paid. If, from any circumstances whatsoever, at the time of payment of any interest pursuant to this Section is due, such payment exceeds the limit currently prescribed by any applicable usury statute or law, with regard to payments of like character and amount, then such payment shall be reduced to the limit permitted, so that in no event shall any payment due in accordance with this Section, exceed the current limit permitted; but such payment shall be fulfilled to the limit permitted.
- Section 8.16 <u>Day References</u>. References to "business" days within this Agreement shall mean any day between and including Monday through Friday, but is not meant to include federal holidays that may fall on such day. Additionally, if the date of any notice required to be given or action to be taken hereunder falls on a weekend or federal holiday, such notice or action may be delivered or taken on the next business day. Unless specifically stated, references to "days" mean calendar days.
- Section 8.17 <u>Confidentiality</u>. All documents and information exchanged between the Parties under this Agreement shall be held in confidence and solely for the purposes of implementing and enforcing this Agreement.
- Section 8.18 Memorandum. Any Party may record this Agreement or a memorandum of this Agreement among the land records of the applicable jurisdiction in which the Development is located and the Party requesting such recordation will pay the costs of such recordation. Upon the written request of any Party to execute such memorandum, all other Parties will promptly execute such memorandum and if any Party fails to promptly execute such memorandum, such Party appoints any other Party as attorney-in-fact to execute such memorandum.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

OPENBAND AT BROADLANDS LLC

a Virginia limited liability company

By: A D D D D

SOUTHERN WALK AT BROADLANDS HOMEOWNERS ASSOCIATION, INC.

a Virginia non-stock corporation

Name: Trady 7. (srave

Title: President

135976_8

Exhibit A

See Attached.

PLATFORM SERVICES

The Parties to the HOA Agreement (to which this Exhibit A is attached) acknowledge and agree that the Platform Services described below may be revised from time to time, in accordance with the terms of the HOA Agreement. Notwithstanding anything contained herein to the contrary, nothing in this appendix shall modify or limit any requirements set forth in the HOA Agreement.

- I. Basic Telephone Service
 - a. Basic Telephone Service Definition: Access to the Public Switched Telephone Network (PSTN) Includes:
 - One Telephone Number
 - Unlimited Local calling
 - Access to all locally available long distance common carriers
 - Access to operator services
 - Access to directory services
 - E-911
 - 900, 976 number blocking
 - Collect call blocking

Price: - \$17.81/month*

- II. Basic Internet Service
 - a. High Speed Internet Access

Definition: Access from the home to Internet and community network resources via a dedicated fiber connection to each home

Includes:

- 100BaseFX Ethernet connection to each home
- Private subnet
- Dynamically Assigned IP Addresses
- Use of Openband DNS Servers
- 5 Mail User Accounts, 50Mb Disk Space Limit per Household
- Use of Openband SMTP Relay for Outbound Mail
- 5 Mb disk space on Web Hosting Server
- Access to Web Based Account Management
- Access to Community Intranet

Price: \$ 64.95/Month*1

The rates set forth herein contemplate residential, home office and/or telecommuter use only.

III. Basic Video Television Service

a. Analog and Digital Video Delivered Programming Services
Definition: Television programming consisting of analog and digital channels, as
well as digital audio programming
Includes:

- Minimum of 120 channels of video and digital music programming
- 1 Digital set top
- 1 Multiple device remote control

Price: \$ 48.74/Month*

* Prices do not include federal, state, and local taxes, surcharges, and regulatory fees.

Exhibit B

See Attached.



Bowers & Associates, Ltd.

Consulting Engineers, Land Surveyors and Landscape Architects

September 13, 2001

RE: Broadlands South

Metes & Bounds Description & Drawing #1707

B&A Project No. 2001.0810.00

To whom it may concern:

I hereby certify that the metes & bounds description of "A Portion of the Land of Broadlands Associates" (Deed Book 1296 at Page 1434 & Deed Book 1296 at Page 1449), part of Tax Map 78 – Parcel 27 & 28A as prepared by Bowers & Associates, Ltd., dated August 28, 2001 identifies the boundaries of the land graphically depicted on Exhibit 'A" (reference B&A File # 1707, dated August 28, 2001).

Randall C. McEntire

Licensed Surveyor

Virginia Certification # 1731

\\Proliant\Admin\Projects\2001.0810.00 Broadlands South Par 27 & 28A\Ltr 09-13-01 Surveyors Certification.doc

METES AND BOUNDS DESCRIPTION
OF
A PORTION OF THE LAND OF BROADLANDS ASSOCIATES
DEED BOOK 1296 AT PAGE 1434
DEED BOOK 1296 AT PAGE 1449
PART OF TAX MAP 78 PARCELS 27 & 28A
LOUDOUN COUNTY, VIRGINIA
AUGUST 28, 2001

BEING A PORTION OF LANDS AS SHOWN ON ALTA/ACSM LAND TITLE SURVEY PROPERTY OF BROADLANDS ASSOCIATES, PREPARED BY BOWERS & ASSOCIATES, Ltd., (B&A FILE NO. C-721) DATED MAY 16, 1995, REVISED JUNE 1, 1995. SAID AREA GRAPHICALLY DEPICTED ON EXHIBIT "A" AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE FOUND THE SOUTHWEST CORNER OF SAID BROADLANDS ASSOCIATES, TAX MAP 78 PARCEL 28A, SAME BEING THE SOUTHEAST CORNER OF ARCOLA INVESTMENTS ASSOCIATES, AS RECORDED IN DEED BOOK 922 AT PAGE 347, TAX MAP 78 PARCEL 28, ALSO BEING IN THE NORTH LINE OF 645 ASSOCIATES LIMITED PARTNERSHIP, AS RECORDED IN DEED BOOK 975 AT PAGE 639, CORRECTED DEED BOOK 979 AT PAGE 401, TAX MAP 92 PARCEL 36;

THENCE DEPARTING SAID NORTH LINE OF 645 ASSOCIATES AND WITH SAID BROADLANDS ASSOCIATES AND SAID ARCOLA INVESTMENTS ASSOCIATES 'N 08°45' 27' E, 1141.75', TO AN IRON PIPE FOUND, THE NORTHEAST CORNER OF SAID ARCOLA INVESTMENTS ASSOCIATES, SAME BEING THE SOUTHEAST CORNER OF AL-SAIGH ET AL, AS RECORDED IN DEED BOOK 838 AT PAGE 136, TAX MAP 78 PARCEL 32B.

THENCE FIRST WITH SAID BROADLANDS ASSOCIATES, AND SAID AL-SAIGH ET AL, AND SECOND WITH SAID BROADLANDS ASSOCIATES AND AL-SAIGH ET AL, AS RECORDED IN DEED BOOK 839 AT PAGE 756, TAX MAP 78 PARCEL 32, N 08°41' 06" E, 1873.47', TO A REBAR FOUND, THE NORTHEAST CORNER OF THE SAID AL-SAIGH ET AL, TAX MAP 78 PARCEL 32, SAME BEING THE SOUTHEAST CORNER OF PARSELL LIMITED COMPANY, AS RECORDED IN DEED BOOK 1341 AT PAGE 1455; TAX MAP 78 PARCEL 31;

THENCE WITH SAID BROADLANDS ASSOCIATES AND SAID PARSELL LIMITED COMPANY, N 08°56' 59" E, 1146.16', TO AN IRON PIPE FOUND, AND N 17°43' 01" E, 241.80', TO AN IRON PIPE FOUND, THE SOUTHWEST CORNER OF MARY ELLEN POOLE, AS RECORDED IN DEED BOOK 1335 AT PAGE 75, TAX MAP 78 PARCEL 29B; SAME BEING THE NORTHWEST CORNER OF SAID BROADLANDS ASSOCIATES;

THENCE WITH SAID BROADLANDS ASSOCIATES AND SAID POOLE, N 85°54' 11" E, 533.23', TO AN IRON PIPE FOUND, THE SOUTHEAST CORNER OF SAID POOLE, SAME BEING THE SOUTHWEST CORNER OF COUNTY SCHOOL BOARD OF LOUDOUN COUNTY, VIRGINIA, AS RECORDED IN DEED BOOK 1686 AT PAGE 1483;

THENCE WITH THE NORTH LINE OF SAID BROADLANDS ASSOCIATES, TAX MAP 78, PARCEL 28A AND WITH SAID COUNTY SCHOOL BOARD OF LOUDOUN COUNTY, VIRGINIA, N 85°50' 28" E, 544.03' TO POINT;

THENCE DEPARTING THE BOUNDARY AS SHOWN ON THE AFOREMENTIONED ALTA/ACSM LAND TITLE SURVEY AND RUNNING WITH SAID COUNTY SCHOOL BOARD OF LOUDOUN COUNTY, VIRGINIA, THE FOLLOWING COURSES AND DISTANCES:

S 09°59'18" W, 956.63' TO A POINT;

ALONG AN ARC TO THE RIGHT, HAVING A RADIUS OF 702.00', A CENTRAL ANGLE OF 02°54'20" AND A CHORD OF S 51°52'14" E, 35.60' TO A POINT;

ALONG AN ARC TO THE LEFT, HAVING A RADIUS OF 473.00', A CENTRAL ANGLE OF 34°57'10" AND A CHORD OF S 67°53'38" E, 284.10' TO A POINT;

ALONG AN ARC TO THE RIGHT, HAVING A RADIUS OF 527.00', A CENTRAL ANGLE OF 21°34'34" AND A CHORD OF S 74°34'56" E, 197.28' TO A POINT;

N 26°12'21" E, 64.00' TO A POINT;

N 83°33'03" E, 275.19' TO A POINT;

N 10°38'54" E, 1114.17' TO A POINT;

THENCE RUNNING WITH THE BOUNDARY AS SHOWN ON THE AFOREMENTIONED ALTA/ACSM LAND TITLE SURVEY AND WITH THE NORTH LINE OF SAID BROADLANDS ASSOCIATES, TAX MAP 78, PARCEL 28A;

N 85°50'28" E, 336.62' TO A POINT;

N 85°48'27" E, 49.48' TO A POINT;

THENCE DEPARTING THE BOUNDARY AS SHOWN ON THE AFOREMENTIONED ALTA/ACSM LAND TITLE SURVEY AND RUNNING THROUGH BROADLANDS ASSOCIATES, THE FOLLOWING COURSES AND DISTANCES:

ALONG AN ARC TO THE RIGHT, HAVING A RADIUS OF 1900.00', A CENTRAL ANGLE OF 05°40'21" AND A CHORD OF N 05°14'59" E, 188.03' TO A POINT;

S 82°36'09" E, 234.32' TO A POINT;

S 66°38'52" E, 171.65' TO A POINT;

N 76°35'55" E, 166.35' TO A POINT;

S 47°37'34" E, 241.16' TO A POINT;

S 67°07'47" E, 383.35' TO A POINT;

N 57°02'04" E, 125.68' TO A POINT;

S 79°49'16" E, 46.49' TO A POINT;

S 58°54'29" E, 39.76' TO A POINT;

S 33°30'30" E, 72.48' TO A POINT;

S 03°07'00" E, 51.09' TO A POINT;

S 13°57'56" E, 143.46' TO A POINT;

S 24°45'35" E, 25.17' TO A POINT;

S 39°22'57" E, 113.98' TO A POINT;

S 51°47'43" E, 41.53' TO A POINT;

S 69°43'01" E, 97.07' TO A POINT;

S 56°09'33" E, 136.77' TO A POINT;

S 46°58'04" E, 196.61' TO A POINT;

S 66°14'20" E, 234.67' TO A POINT;

S 37°10'52" E, 33.24' TO A POINT;

S 52°34'19" E, 30.42' TO A POINT;

N 75°59'58" E, 20.50' TO A POINT;

N 46°32'50" E, 14.19' TO A POINT;

S 76°51'23" E, 41.06' TO A POINT;

S 62°21'35" E, 250.76' TO A POINT;

S 52°05'11" E, 138.88' TO A POINT;

S 46°07'30" E, 116.92' TO A POINT;

S 61°34'00" E, 194.11' TO A POINT;

S 12°58'40" W, 198.27' TO A POINT;

S 63°25'33" W, 335.61' TO A POINT;

S 83°17'06" W, 705.56' TO A POINT;

N 79°24'56" W, 294.83' TO A POINT;

N 50°24'30" W, 177.34' TO A POINT;

S 86°11'19" W, 106.26' TO A POINT:

S 48°07'16" W, 520.19' TO A POINT;

N 79°38'10" W, 320.31' TO A POINT;

S 32°34'49" W, 702.33' TO AN IRON PIPE FOUND AT THE NORTHWEST CORNER OF LARRY A. BROWN AND BETTY L. BROWN, AS RECORDED IN DEED BOOK 465 AT PAGE 649, TAX MAP 78 PARCEL 20;

THENCE WITH THE AFOREMENTIONED ALTA/ACSM LAND TITLE SURVEY, BROADLANDS ASSOCIATES, TAX MAP 78 PARCEL 27 AND SAID BROWN, TAX MAP 78 PARCEL 20, S 13°43' 32" W, 1848.88', TO AN IRON PIPE FOUND THE SOUTHWEST CORNER OF SAID BROWN, SAME BEING THE SOUTHEAST CORNER SAID BROADLANDS ASSOCIATES TAX MAP 78 PARCEL 27, ALSO BEING IN THE NORTH LINE OF ROUTE 645 CROSON LANE, 15' FROM CENTERLINE OF EXISTING GRAVEL ROAD.

THENCE WITH SAID BROADLANDS ASSOCIATES TAX MAP 78 PARCEL 27, AND SAID NORTH LINE OF ROUTE 645, S 84°32' 07" W, 1276.58', TO THE AN IRON PIPE FOUND THE SOUTHWEST CORNER OF BROADLANDS ASSOCIATES, TAX MAP 78 PARCEL 27, SAME BEING IN THE EAST LINE OF SAID BROADLANDS ASSOCIATES TAX MAP 78 PARCEL 28A;

THENCE WITH SAID BROADLANDS ASSOCIATES TAX MAP 78 PARCEL 28A AND SAID NORTH LINE OF ROUTE 645, S 27°35′ 35″ W, 27.76′ TO A COPPER ROD FOUND, THE SOUTHEAST CORNER OF SAID BROADLANDS ASSOCIATES TAX MAP 78 PARCEL 28A, SAME BEING IN THE NORTH LINE OF SAID 645 ASSOCIATES LIMITED PARTNERSHIP;

THENCE WITH SAID BROADLANDS ASSOCIATES TAX MAP 78 PARCEL 28A, SAID 645 ASSOCIATES LIMITED PARTNERSHIP AND SAID NORTH LINE OF ROUTE 645, S 84°20' 22" W, PASSING AN END OF STATE MAINTENANCE SIGN FOR ROUTE 645, AT 1060' FOR A TOTAL DISTANCE OF 1359.82', TO THE POINT OF BEGINNING AND CONTAINING 316.4684 ACRES OF LAND, MORE OR LESS.

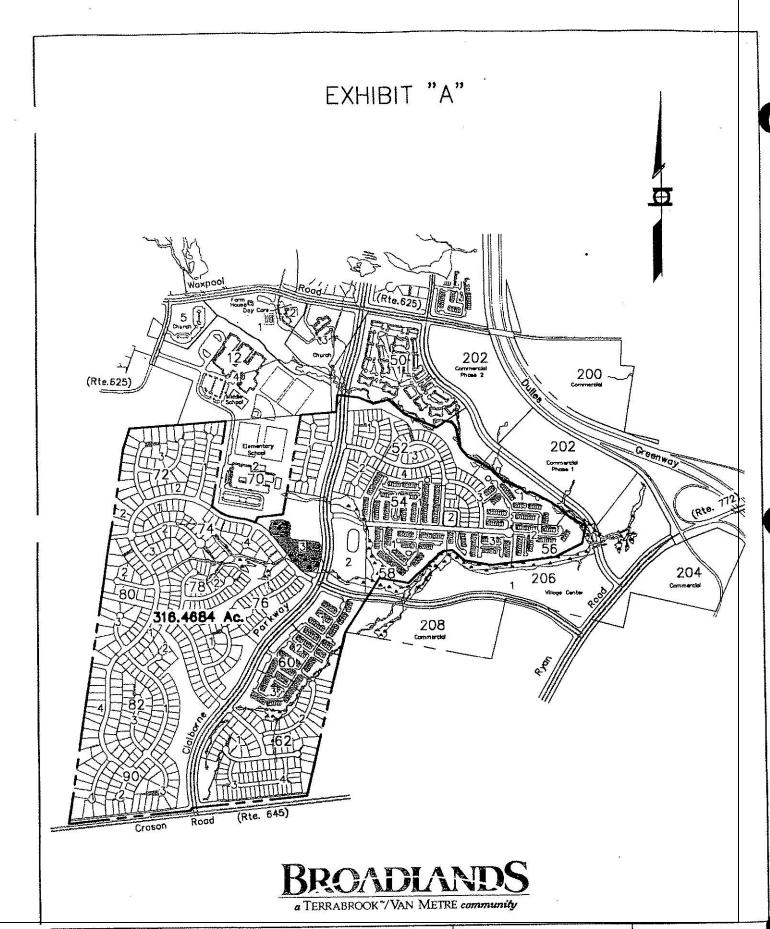


Exhibit C

See Attached.

PREMIUM SERVICES

The Parties to the HOA Agreement (to which this Exhibit C is attached) acknowledge and agree that the Premium Services described below may be revised from time to time, in accordance with the terms of the HOA Agreement. Notwithstanding anything contained herein to the contrary, nothing in this appendix shall modify or limit any requirements set forth in the HOA Agreement.

- I. Premium Telephone Services
 - a. Premium Voice Services

Definition: Services that will be available immediately at an increased or per usage cost to the user

Services Include:

- Voice Mail
- Anonymous Call Rejection with Caller ID
- · Anonymous Call Rejection without Caller ID
- Call Forwarding Busy Line
- · Call Forwarding Busy Line and Don't Answer
- · Call Forwarding Variable
- · Call Waiting/Cancel Call Waiting
- Caller ID Deluxe (Name and Number)
- Caller ID Standard (Number Only)
- Hunting
- Priority Call
- · Remote Access to Call Forwarding
- Repeat Call
- Return Call
- Select Forward
- Special Ring (per dependent number)
- Three Way Calling/Call Hold
- Long Distance Services
 - o Intralata
 - o Interlata
- · Calling Card Services
- Guardian Services
- II. Premium Internet Services
 - a. Premium Internet Services

Definition: Services that provide complementary or value added Internet services Services Include:

- Level 2 through 4 Extended Mail and Web Hosting Tiers
- Publicly Reachable IP Addresses
- Personal Domain Registration

- On Site Setup and Support
- Guardian Services

III. Premium Video Services

a. Premium

Definition: Services that provide additional viewing selections to the consumer Services Include:

- Premium Plexes (Multiple screens)
 - o HBO
 - o Showtime/The Movie Channel
 - o Cinemax
 - o Encore/STARZ!
- Pay Per View
 - o Movies
 - o Sports
 - o Adult
 - o Special Events
- Additional Set Tops with Remote-Guardian Services

Exhibit D

See Attached.

CONTRACT SERVICE REQUIREMENTS	a linder Normal Operations, interringed telephone service shall be restored in forty-elight (48) hours or less from the time a Service Interruption is reported.
nages	18721

Under Normal Operating Conditions, basic telephone orders received before close of business and requiring a premise visit must be completed within 3 business days after the date the order is Under Normal Operating Conditions, and provided personal personal personal Operating Conditions, basic telephone orders received before close of business and not requiring a premise visit must be completed by next business day after the order was received. The payments are on a per occurrence basis. (\$25)

Under Normal Operating Conditions, premium telephone orders will be completed by the close of business 5 business days after the order was received. The payments are on a per occurrence Under Normal Operating Conditions, must commence work on interruptions within 48 hours of customer notification unless customer requests later date. (\$25) received. The payments are on a per occurrence basis. (\$25)25.00

normal monthly billing for the Service(s) interrupted. For each additional 48 hours that the repair is not fixed due to customer service/ repair deficiencies the Homeowner will receive an additional Under Normal Operating Conditions, for valid complaints not the result of customer action, OBL shall make every effort to successfully repair Service Interruptions during the agreed appointment with the Homeowner. If the Service Interruption is not repaired within 48 hours of the agreed appointment because of service repair quality including insufficient or incompetent labor, inadequate inventory of parts, rework, lack of equipment, or other actions that reflect deficient customer service quality, the Homeowner will receive a credit equal to ten percent (10%) of the Homeowner's Appointments shall not be canceled with a Homeowner after the close of business on the business day prior to said appointment. If OBL is unable to fulfill an appointment as scheduled, the Customer shall be notified at least 24 hours in advance of the scheduled appointment or OBL will pay Homeowner \$25 within 3 days of appointment. The \$25 increases \$5 every five years For installations and service calls requiring Homeowner appointments, the appointments may be scheduled for a specific time or during a 4 hour time block during Normal Business Hours. 25.00

10% credit. The credit applies to individual Homeowner service calls.
25.00 [Standard installations must be completed in 7 business days of order. The payments are on a per occurrence basis. 10% credit. The credit applies to individual Homeowner service calls

Exhibit E

See Attached.

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REGULATORY FEES

I. II. <u>III.</u>	Basic Telephone Service Basic Internet Service Basic Video Service Subtotal	\$ 17.81 \$ 64.95 <u>\$ 48.74</u> \$131.50
IV.	Taxes; Federal, State, and Local and Regulatory Federal	es: •
	Total Monthly Tax and Regulatory Requirement per Includes: • Voice*** • Federal Telecommunications Tax (3 • VA State Tax (4.5%) • E-911 (\$1.75) • Relay Surcharge Fee (\$0.16) • Public Right of Way Use Fee (\$0.57 • Universal Service Fund (\$0.36) • Line Number Portability (\$0.23) • Video • Loudoun County Franchise Fee (5%) • Data • VA State Tax (4.5%)*	%)
	Total Tax and Fees	\$14.75**

* Anticipated

TOTALS

\$146.25

^{**}Estimated, includes anticipated

^{***} In the event OpenBand is required by a regulatory agency, court or governmental body to charge a FCC Access Fee or the like, such fee shall be included as a Regulatory Fee on future billings and the HOA shall reimburse OpenBand if required to pay and/or collect such fee for a prior time period (up to twelve months) unless precluded by applicable law.



"Max R. Kipfer" <mkipfer@openband.n

To: <jda@armstrong.net>

CC

Subject: OpenBand Rate Adjustment

10/17/02 10:08 AM

James,

FYI - OpenBand will be increase it bulk rates for telephone and video service effective January 1, 2003. The new rates are:

Telephone - \$20.79 Video - \$51.17 Data - Unchanged

This is a total monthly increase of \$5.41 plus any applicable taxes.

See attached memo presented to the OpenBand at Broadlands Executive Committee last month.

If you have any questions please don't hesitate to contact me.

Max Kipfer EVP & GM OpenBand

703.961.5444 Rate Adjust Notice OBB 2003

MEMORANDUM

To: OpenBand at Broadlands Executive Committee

From: Max R. Kipfer

Date: September 5, 2002

Re: OpenBand 2003 Bulk Basic Rate Adjustments

In accordance with Section 4.7 of the Services Agreement (see language below*) the following are the OpenBand Bulk Basic Rates effective January 2003.

Telephone:

Original OpenBand Rate (2001): \$17.81 New OpenBand Rate (2003): \$20.79

Breakdown and comparison to Verizon:

Basic Verizon Products and Services \$16.43 Federal Subscriber Line Charge \$6.00 \$22.43

Basic OpenBand Products and Services \$14.79 (10% discount)

Federal Subscriber Line Charge \$ 6.00 2003 Rate \$ \$20.79 Page 2 OBB Memo – OpenBand 2003 Bulk Basic Rate Adjustments September 5, 2002

Video:

Original 2001 OpenBand Rate \$48.74

New 2003 OpenBand Rate: \$51.17

Breakdown and comparison to Adelphia:

Adelphia Basic Analog Service (June 2002) \$48.70
Digital Basic (inc. set top and remote) \$11.95
\$60.65

OpenBand Digital Basic (2003)

\$51.17 (16% discount)

Data:

Original Rate (2001): \$64.95

New Rate (2003): \$64.95 (unchanged)

* Section 4.7 Pricing of Services to Customers.

(c) During the term of this Agreement, the costs of each of the Mandatory Services shall not exceed an amount equal to ninety percent (90%) of the rate charged by the Comparable Provider for similar video and ILEC telephone services of equal quality as required under this Agreement (excluding short / term and promotional pricing). The cost of Internet access services will not exceed the following percentages of the average rate charged by three (3) competitive residential Comparable Providers: fifty percent (50%) in the first year in which OPENBAND provides Services to Homeowners ("Year One"), sixty percent (60%) in Year Two, seventy percent (70%) in Year Three, eighty percent (80%) in Year Four, and ninety percent (90%) thereafter; notwithstanding, OPENBAND shall not raise the cost of Internet Services more than five percent (5%) each year. Internet speed will be compared to Comparable Providers of similar services, and such comparisons shall include the average of forward and reverse bit rates and be based upon the cost of per bps.

See attached documents:

- -Verizon current residential statement
- -Adelphia June 2001 Rate Increase Notice
- -Adelphia June 2002 Rate Increase Notice